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VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Application of Blue Granite Water Company for Approval to Adjust
Its Rate Schedules and Increase Rates
Docket No. 2019-290-WS

Dear Ms. Boyd:

In reviewing recent Commission orders in base rate proceedings, it appears that the Commission has sometimes required utilities to provide notice to customers following approval of new base rates to be provided along with the new customer bills. See, e.g., Order No. 2019-344 (“I . . . move that the Commission direct Palmetto Wastewater to include the notice as a bill insert at the time that the rates go into effect.”). Other times, the Commission has directed that the utility provide advance notice prior to placing the new rates and schedules into effect. See, e.g., Order No. 2020-94 at 44, Docket No. 2019-64-WS (Jan. 30, 2020) (“The Company is to provide thirty (30) days’ advance notice of the increase to customers of its water and wastewater services prior to the rates and schedules being put into effect for service rendered.”). Blue Granite Water Company (the “Company”) believes that the former approach is legally supportable, while the latter approach is not.

S.C. Code Ann. § 58-5-240(A) requires 30-days prior notice of the utility’s intention to file for a rate case. Subsection (B) requires public notice of the proceeding. Subsection (C) requires an order on the merits from the Commission “within six months after the date the schedule is filed,” and subsection (D) provides for a five-day extension if the Commission determines that “due to circumstances reasonably beyond its control,” it cannot issue an order within the six-month timeframe. Among the purposes of these provisions are (1) providing notice to the public of the proceeding and (2) ensuring that the new just and reasonable rate is established within a six-month period. Subsection (E) reinforces that view, stating that, should the Commission fail to issue its order within the 6-month-plus-5-days timeframe, the utility can go ahead and put its rates into effect, and “[t]he change is to be treated as an approval of the new rate schedule by the Commission.”



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The clear weight of these provisions is that a utility's new rates are to be put into effect on an expeditious basis—immediately following the Commission's order on the merits, or, in the absence of an order, put into effect automatically. In contrast to the expeditious timeline set by the governing statute, waiting for a new notice to be approved after a Commission order on the merits, and then providing notice to customers, which requires prep time and then a full billing cycle, unduly and unlawfully delays the effectiveness of the new rates.

The Company wanted to inform the Commission as to its perspective on this issue as the Commission weighs the merits of this case and begins to review parties' proposed orders. The Company plans to include an ordering paragraph in its proposed order consistent with the position articulated in this letter. Thank you for your consideration of this issue.

Kind regards,

Sam Wellborn

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cc: Parties of Record (via email)
Donald H. Denton, President (via email)
Dante Destefano, Financial Planning & Analysis Manager (via email)